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**UNDERGRADUATE PROJECT**

**FACTORS AFFECTING CUSTOMER SATISFACTION TOWARD E-COMMERCE  
WEBSITE USAGE OF FRANCHISED RESTAURANT IN MALAYSIA**

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## ABSTRACT

The advancement of technology and growth of the e-commerce industry in Malaysia has set up the trend for customers to make online purchases through an online ordering system platform. People can order food using a franchised restaurant website only by tapping on any smartphones and devices connected to the internet. Moreover, e-commerce website usage is an important determinant to identify customer satisfaction towards the franchised restaurant. This study aims to examine the relationship of the factors affecting customer satisfaction towards e-commerce website usage of franchised restaurants in Malaysia. Five variables were selected to test the customer satisfaction hypotheses, including website design, reliability, time saved, product variety and delivery performance. A total of 400 respondents from Malaysia who have experienced ordering food online from franchised restaurant websites had participated in this research for the data analysis. The respondent's data was obtained through an online survey which the researcher distributed the questionnaire using social media platforms such as Facebook, Twitter, and WhatsApp. Data gathered through the questionnaire were analysed to test the hypotheses and validity using Statistical Package for Social Science (SPSS) version 27.0 software. In addition, the correlation analysis approach is used to explore the relationship between the variables. Furthermore, the findings and results of the hypotheses indicate that website design, reliability, time saved, product variety and delivery performance have a positive relationship with customer satisfaction. Further recommendations and limitations are also discussed in this research. It is suggested that future researchers broaden the research and find additional variables to explain more on customer satisfaction and generalise the population.

**Keywords:** *Customers Satisfaction, E-Commerce, Franchise Restaurant, Website, Online Ordering*

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## 1.0 INTRODUCTION

### 1.1 Overview

This section will explain the introduction of our study related to the foodservice industry and customer satisfaction.

### 1.2 Background of Study

Technology is scientific knowledge includes skills, method, and process to produce goods and services that gave many benefits to human life. Technology has been applied in the foodservice industry in many ways including paying methods food production or ordering methods that make restaurants operate smoothly and efficiently. The technology has evolved from decade to decade, along with the foodservice industry. One of the uses of technology is the internet. Internet development leads to high involvement in buying and selling products via electronic commerce or e-commerce. E-commerce is an online platform that many foodservice's owners used to promote or introduce their products to the customer (Kinsey et al., 2003). Foodservice includes franchise restaurants with high involvement in the e-commerce industry, and one of the successful keys to continue using this platform is by analysing customer satisfaction (WishDesk, 2018). Nowadays, online platforms are used as a device to help boost many everyday activities, such as e-commerce, which includes food ordering, internet banking, social media, and plenty more. Food ordering using online platforms, for example, has developed because of the rising number of digital platform users, restaurant patrons, and others. The fast-food industry in Malaysia consists of a diverse range of restaurants that sell various unique meals ranging from local to international. American fast-food franchises such as A&W, Burger King, Domino's Pizza, Kentucky Fried Chicken (KFC), Marry Brown, McDonald's, Pizza Hut, and Subway, according to Habib et al. (2011), dominate the Malaysian fast-food market. According to Xiao, Yang, and Iqbal (2018), the fast-food franchising sector accounts for roughly 32% of all fast-food outlets in Malaysia, with 6000 fast-food outlets, while the QSR (Quick Service Restaurant) or fast-food industry is valued at \$493 million (RM1.8 billion) domestically. With many franchise outlets, McDonald's and KFC are currently the major international franchise operators in Malaysia (Iqbal et al., 2016). In